

Janet T. Mills  
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Commissioner



Maine Department of Health and Human Services  
Audit  
11 State House Station  
221 State Street  
Augusta, Maine 04333-0011  
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TTY: Dial 711 (Maine Relay)

## Final Informal Review Decision

May 10, 2019

Ms. Diane Maheux, Chief Financial Officer  
Calais Regional Hospital  
24 Hospital Lane  
Calais, ME 04619

Re: **Calais Regional Hospital**

Dear Ms. Maheux,

You requested an informal review of the final audit report for **Calais Regional Hospital** dated September 21, 2018 for the fiscal period from January 1, 2012 through December 31, 2012 which resulted in an overpayment of \$451,119.00.

As a result of this request, we have prepared an informal review. Our **Final Informal Review Decision** is as follows:

The Hospital claims that "MaineCare prepared draft and final settlements for 2012 using a revised cost settlement software which disadvantaged the Hospital by approximately \$330,000." In addition, the Hospital claims that "the revised software changed the methodology used for reimbursing hospital-based-physician (HBP) services."

In the informal review request letter, it was further explained that the \$330,000 by which the Hospital was allegedly "disadvantaged" by means of the final settlement actually specifically pertains to the Hospital's business decision to contract with Collaborative Hospital Solutions of Calais, LLC (Bluewater) to provide Emergency Room physician coverage for the Hospital:

*"Bluewater was responsible for billing and collecting for Part B services provided to the Hospital emergency room patients. The contractual amount due from the Hospital to Bluewater was reduced by anticipated Part B receipts which did not fully cover the Part B cost."*

The Hospital is requesting of the State to use the as-filed cost report for final settlement.

The Division of Audit denies the Hospital's request for the State to use the as-filed cost report for final settlement. However, in review of the final settled cost report, an adjustment was made to allocate the Emergency HBP costs, using the Hospital's

total emergency visits and the Collaborative Hospital Solutions of Calais, LLC  
(Bluewater) MaineCare visits.

Sincerely,



Herbert F. Downs, Director  
Division of Audit

Enclosures:

Notice of Appeal Rights of MaineCare Providers

## NOTICE OF APPEAL RIGHTS OF MAINECARE PROVIDERS

**1. Informal Review.** If you disagree with any portion of the audit report, you must request an informal review by the Director of the Office of MaineCare Services, or his designee, by notifying the Office of MaineCare Services, 11 State House Station, Augusta, Maine, 04333-0011, in writing **within 60 days of receipt of the audit report** of the issues that are in dispute. You must also provide any and all information that you intend to rely upon in disputing each issue. Failure to give timely notice or to include the information relied upon shall constitute a waiver of your facility's right to an informal review and to any subsequent administrative appeals. See the *MaineCare Benefits Manual*, Chapter I, Section 1.23 (before 07-05-17 see Section 1.21) for further explanation of your facility's appeal rights.

**2. Administrative Hearing.** If you disagree with the decision made after an informal review, you must request an administrative hearing by the Commissioner of the Department of Health and Human Services, or his designee, by notifying the Office of MaineCare Services, 11 State House Station, Augusta, Maine, 04333-0011, in writing **within 60 days of receipt of the informal review decision** of the issues that are in dispute. Only those issues presented for informal review will be considered at the administrative hearing. See *MaineCare Benefits Manual*, Chapter I, Section 1.23 (before 07-05-17 see Section 1.21); see also Administrative Hearing Regulations (Office of Administrative Hearings, Department of Health and Human Services).

**3. Petition for Judicial Review.** If you disagree with the decision made after an administrative hearing, you may petition the Superior Court for judicial review of final agency action. See 5 M.R.S. §11001- §11007.